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STATE OF HAWAII  
DEPARTMENT OF ACCOUNTING  
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P. O. BOX 119  
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January 25, 1991

RUSSEL S. NAGATA  
COMPTROLLER

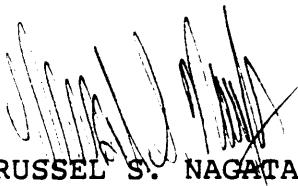
JAMES H. YASUDA  
DEPUTY COMPTROLLER

COMPTROLLER'S MEMORANDUM NO. 1991-4

TO: Heads of Departments  
ATTN.: Personnel/Payroll Offices  
FROM: Russel S. Nagata, Comptroller  
SUBJECT: Calculation of Statutory Dues for HGEA

In Comptroller's Memorandum No. 1990-24, dated October 26, 1990, we transmitted to you a copy of HGEA's letter dated October 2, 1990, which included detailed instructional information on the calculation of statutory dues (SD) in the State's payroll system.

We have now received a copy of HGEA's letter of January 16, 1991 on the same subject, with further detailed instructional information. A copy is enclosed for your information and use; it should be read only in conjunction with Comptroller's Memorandum No. 1990-24. Questions on the enclosure should be directed to HGEA.

  
RUSSEL S. NAGATA  
Comptroller

Enc.

January 16, 1991

Mr. Russell S. Nagata  
Comptroller  
Dept. of Accounting & General Services  
1151 Punchbowl St., Rm. 412  
Honolulu, HI 96813

Dear Mr. Nagata:

Various public employers have requested clarification on certain subjects included in the HGEA/AFSCME letter to you dated October 2, 1990 concerning the standardization of the method by which statutory dues are to be calculated, deducted from the employee's payroll, and remitted to the appropriate exclusive representative.

This letter provides clarification of the following three areas:

- 1) which exclusive representative should be remitted the statutory dues in situations involving changes between different bargaining units with different exclusive representatives;
- 2) under what circumstances should retroactive statutory dues deductions not be made; and
- 3) the definition of specific phrases used by HGEA/AFSCME in specifying how statutory dues should be calculated.

**I. REMITTANCE OF STATUTORY DUES IN SITUATIONS INVOLVING CHANGES IN BARGAINING UNITS WITH DIFFERENT EXCLUSIVE REPRESENTATIVES**

In situations involving changes between different bargaining units with different exclusive representatives, the bargaining unit in which the employee is included at the start of each payroll period shall determine which exclusive representative shall receive the statutory dues for that payroll period.

A few examples of the more common bargaining unit changes between different exclusive representatives are:

Unit 01, UPW to Unit 02, HGEA/AFSCME  
Unit 05, HSTA to Unit 06, HGEA/AFSCME

The reason for selecting the "start of each payroll period" to determine which exclusive representative shall receive the statutory dues is because:



1) the employee is required to pay full statutory dues for the payroll period from the date the employee is initially included into a bargaining unit;

2) the employee should not be assessed full statutory dues payable in full to both exclusive representatives for the same payroll period;

3) currently employees are assessed full statutory dues for the entire payroll period regardless of the number of days worked during the payroll period, and there is no proration of statutory dues for periods of time less than a payroll period; and

4) the employers are currently using different methods in calculating, deducting, and remitting statutory dues to the exclusive representatives.

This procedure would standardize the method that statutory dues are calculated and remitted in situations where changes in bargaining unit have occurred with different exclusive representatives involved.

## **II. WHEN SHALL RETROACTIVE STATUTORY DUES BE DEDUCTED?**

It has been requested that a portion of Section 5, page 5, last paragraph of the HGEA/AFSCME Statutory Dues Calculation Procedure, effective November 1, 1990 be clarified.

This section currently reads as follows: "Retroactive dues adjustments, i.e., increases, decreases or refunds of statutory dues shall **NOT** be made for payroll periods in which the employer has taken a retroactive personnel action."

It should read as follows: "Retroactive dues adjustments, i.e., increases, decreases or refunds of statutory dues shall **NOT** be made for payroll periods in which the employer has taken a retroactive personnel action involving an **INDIVIDUAL** employee as opposed to a class action." This includes retroactive personnel actions such as:

- 1) promotion,
- 2) temporary assignment,
- 3) reallocation,
- 4) adjustment to differential pay.

Retroactive dues adjustments, i.e., increases, decreases or refunds of statutory dues **SHALL** be made for payroll periods in which the employer has taken a retroactive personnel action involving a **CLASS** action. This includes retroactive personnel actions such as:

- 1) increment or longevity pay increases,
- 2) negotiated wage increases,
- 3) changeover to new pay schedules,
- 4) repricing.

### **III. DEFINITIONS OF TERMS USED IN THE HGEA/AFSCME STATUTORY DUES PROCEDURES EFFECTIVE NOVEMBER 1, 1990**

As stated in the HGEA/AFSCME procedure on statutory dues calculation effective November 1, 1990, "The test for determining who shall be assessed statutory dues (SD) shall be whether the employee is 'in the bargaining unit', i.e., the employee is included in a bargaining unit exclusively represented by HGEA/AFSCME, and whether the employee is 'on the payroll' of a public employer as defined in Section 89-2, HRS during the payroll period".

1. "In the bargaining unit" means that the employee fills a position included in a bargaining unit as defined in accordance with Section 89-6(a), HRS, and that the employee is not otherwise excluded from collective bargaining in accordance with Section 89-6(c), HRS.

2. "On the payroll" means that the employee fills a position, is performing the duties and responsibilities of the position, is entitled to compensation for work performed during the payroll period, and not otherwise on leave of absence without pay.

3. "During the payroll period" means the employee met both criteria (under 1 and 2 above) for being assessed statutory dues at some point-in-time during the pay period.

4. "Pay period" means either one of two payroll periods: a) the 1st through the 15th of the month, or b) the 16th through the end of the month. (See Salary Periods, Section 78-13, HRS). The terms "payroll period" and "pay period" are used interchangeably and mean the same thing.

5. "On leave without pay" means that the employee fills a position, but is not performing the duties and responsibilities of the position and is therefore not entitled to compensation, and is placed on leave of absence without pay status by the employer. If an employee is on leave without pay for a portion of the payroll period but also performs work during a portion of the same payroll period, the employee is deemed to be "on the payroll" for the payroll period and shall be assessed full statutory dues for that payroll period.

6. "Changes in bargaining unit" means the movement of an employee from included status in one bargaining unit to included status in another bargaining unit as distinguished from movements from an excluded status to an included status and from movements from an included status to an excluded status.

Your cooperation in notifying all departmental payroll sections of these procedural clarifications will be greatly appreciated. Should you have any questions, please call Mr. Michael Miller of my staff at 543-0015.

Sincerely,

A handwritten signature in black ink, appearing to read 'Will Miyake', with a horizontal line extending from the end of the signature.

Will Miyake  
Executive Assistant

WM:jt ~